

ORIGINAL

BELLSOUTH

EX PARTE OR LATE FILED

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Vice President-Federal Regulatory

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JUL 15 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 15, 2002

EX PARTE

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, NW
Washington, D.C. 20554

Dear Ms. Dortch:

Re: CC: Docket No. 01-321

The attached BellSouth Tariff filing is being provided to Uzoma Onyeije and Renee Crittendon of the Wireline Competition Bureau's Competitive Policy Division at their request. This tariff filing introduces a service level agreement with performance measures and penalties in connection as part of a contract tariff.

Please include this submission in the record of the above referenced proceeding.

If you have any questions, please call me.

Very truly,

W. W. Jordan
W.W. Jordan

Attachments

cc: Uzoma Onyeije
Renee Crittendon

No. of Copies rec'd 0+2
List ABCDE



BellSouth Interconnection Services 205 977-7500
Room 34S91
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

Linda B. Burell
Tariff Administrator

June 19, 2002

Transmittal No. 648

Secretary
Federal Communications Commission
Washington, D.C. 20554

Attention: Common Carrier Bureau

The accompanying tariff material, issued by BellSouth Telecommunications, Inc. (hereinafter BellSouth), and bearing Tariff F.C.C. No. 1, is sent to you for publication in compliance with Section 61.49, of the Commission's rules and the requirements of the Communications Act of 1934, as amended. This filing is being submitted on one day's notice in compliance with Section 61.58(b) of the Commission's rules and the requirements of the Communications Act of 1934, as amended.

Scheduled to become effective June 19, 2002, this publication consists of tariff pages as indicated on the following Check Sheets:

Tariff F.C.C. No.
1

Check Sheet No.
529th Revised Page 1
11th Revised Page 9.0.5

June 19, 2002
Page 2

The original transmittal letter and credit card payment in the amount of \$655.00 were provided to Capital Filing Specialist, LLC, for delivery to Mellon Bank, Pittsburgh, Pennsylvania on June 19, 2002. Acknowledgment of receipt of this transmittal is requested. A duplicate letter is enclosed for this purpose.

All official pleadings and related material concerning this filing may be directed to Mr. Richard Sbaratta, General Attorney, BellSouth Corporation, Suite 4300, 675 West Peachtree Street, Atlanta, Georgia 30375 or faxed to Mr. Richard M. Sbaratta at (404) 614-4054.

All correspondence and inquiries in connection with this publication should be addressed to Whit Jordan at BellSouth D.C., Inc., Suite 900, 1133 21st Street, N.W., Washington, D.C. 20036, (202) 463-4114.

Yours truly,

A handwritten signature in cursive script that reads "Linda B. Burell".

Linda B. Burell
Tariff Administrator

BELLSOUTH TELECOMMUNICATIONS, INC.

INTRODUCTION OF CONTRACT TARIFF NO. 006

DESCRIPTION AND JUSTIFICATION

TRANSMITTAL NO. 648

BellSouth Telecommunications, Inc. (hereinafter "BellSouth"), with this filing, is revising Section 25 of its Access Services Tariff, F.C.C. No. 1, to introduce Contract Tariff No. 006, which is being filed on one-day's notice pursuant to BellSouth receiving Phase I and Phase II Pricing Flexibility for Special Access and Dedicated Transport Services in the qualifying Metropolitan Statistical Areas (MSAs).¹

Contract Tariff No. 006 provides a volume and term discount plan with a 24-month contract term for Special Access and Dedicated Transport Services. Contract Tariff No. 006 sets forth the Full Service Relief MSAs in which the volume and term discount plan will be offered and also sets forth the services to which the plan applies. Section 23 of F.C.C. No. 1 defines the Full Service Relief MSAs and also provides the rates and charges for the services included in Contract Tariff No. 006.

In order to take advantage of the volume and term discount plan in Contract Tariff No. 006, customers must subscribe to the plan within 30 days of the tariff's effective date. Contract Tariff No. 006 will terminate 25 months after the tariff's effective date.

¹ In the Matter of BellSouth Petition for Pricing Flexibility for Special Access and Dedicated Transport Services, CCB/CPD No. 00-20, Memorandum Opinion and Order, DA 00-2793, released December 15, 2000.

BELLSOUTH TELECOMMUNICATIONS, INC.
 BY: Operations Manager - Pricing
 29657, 675 W. Peachtree St., N.E.
 Atlanta, Georgia 30375
 ISSUED: JUNE 19, 2002

TARIFF F.C.C. NO. 1
 529TH REVISED PAGE 1
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ACCESS SERVICE
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25 - Contract Tariffs

25.8 Contract Tariff - No. 006

- (A) This Contract Tariff is valid for a period of 25 months and shall terminate on July 19, 2004.
- (B) The regulations, terms, conditions and incentives provided herein shall apply to customers subscribing to Contract Tariff No. 006 in the Metropolitan Statistical Areas (MSAs) defined in 25.8.1.B below. A customer may subscribe within a period of thirty (30) days following the Contract Tariff's effective date.
- (C) This Contract Tariff contains a Service Level Agreement (SLA), which will apply pursuant to regulations, terms, and conditions specified in 25.8.1(G), following.

25.8.1 General Regulations

(A) Term and Renewal Options

- (1) The customer's term under this Contract Tariff is 24 months. At the end of the contract term, the incentives provided in this Contract Tariff shall be discontinued.
- (2) In order to subscribe to this Contract Tariff, a Letter of Agreement for Firm Order Commitment provided by the Company must be executed by the customer's signature and acknowledged by a Company representative's signature. The Letter of Agreement shall contain the starting date of the customer's term and the Access Customer Name Abbreviations (ACNAs).

(B) Metropolitan Statistical Areas

The regulations, terms and conditions of this Contract Tariff shall apply for the Full Service Relief MSAs listed below. Full Service Relief MSAs are defined in Section 23 of this Tariff. References made throughout this Contract Tariff to the customer's annual revenues shall include monthly recurring revenues for the combined MSAs shown below:

- Atlanta, Baton Rouge, Biloxi, Charlotte, Chattanooga, Daytona Beach, Gainesville, Greensboro-Winston Salem, Jackson, Jacksonville, Knoxville, Louisville, Memphis, Miami-Ft. Lauderdale, Monroe, Montgomery, Melbourne, Nashville-Davidson, Orlando, Pensacola, Raleigh-Durham, Savannah, Shreveport, Wilmington, West Palm Beach

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25 - Contract Tariffs (Cont'd)

25.8 Contract Tariff - No. 006 (Cont'd)

25.8.1 General Regulations (Cont'd)

(C) Description of Services

- (1) This Contract Tariff may include any of the following services for the purpose of determining the customer's annual minimum-billed revenue volume specified in 25.8.2 following. Rates and charges for these services are provided in Section 23 of this Tariff.

BellSouth SWA Dedicated Transport Services

- BellSouth SWA VG
- BellSouth SWA DS0
- BellSouth SWA DS1
- BellSouth SWA DS3
- BellSouth SWA Dedicated Ring
- BellSouth SWA Managed Shared Ring Service

Special Access (a.k.a. BellSouth SPA) Services

- Metallic (a.k.a. BellSouth SPA Metallic)
- Telegraph Grade (a.k.a. BellSouth SPA Telegraph)
- Voice Grade (a.k.a. BellSouth SPA VG)
- WATS Access Line (WAL) (a.k.a. BellSouth SPA WATS Lines)
- Program Audio (a.k.a. BellSouth SPA Program Audio)
- Broadcast Quality Video (a.k.a. BellSouth SPA Broadcast Quality Video)
- Commercial Quality Video (a.k.a. BellSouth SPA Commercial Quality Video)
- DS3 Digital Video Service (a.k.a. BellSouth SPA DS3 Digital Video)
- BellSouth SPA Modular Video Transport Service
- 70 MHz Transport (a.k.a. BellSouth SPA 70 MHz Transport)
- Uncompressed Switched Video (a.k.a. BellSouth SPA Uncompressed Switched Video)
- Wideband Analog (a.k.a. BellSouth SPA Wideband Analog)
- Wideband Data (a.k.a. BellSouth SPA Wideband Data)
- Derived Data Channel (a.k.a. BellSouth SPA Derived Data Channel)
- Digital Data Access Service (a.k.a. BellSouth SPA DS0 Digital Data)
- High Capacity (a.k.a. BellSouth SPA High Capacity)
- DS1 (a.k.a. BellSouth SPA DS1)
- LightGate svc. (a.k.a. BellSouth SPA Point to Point)
- SMARTGate svc. (a.k.a. BellSouth SPA Managed Shared Ring)
- SMARTPath svc. (a.k.a. BellSouth SPA DS1 & DS3 Shared Ring)
- SMARTRing svc. (a.k.a. BellSouth SPA Dedicated Ring)
- FlexServ Service (a.k.a. BellSouth SPA Customer Reconfiguration)
- Dry Fiber
- BellSouth SPA Managed Shared Network Service

Fast Packet Access Services

- Exchange Access Frame Relay Service (a.k.a. BellSouth Exchange Access Frame Relay Service)
- Exchange Access Connectionless Data Service (a.k.a. BellSouth Exchange Access Connectionless Data Service)
- BellSouth Exchange Access Asynchronous Transfer Mode Service
- BellSouth SPA Managed Shared Frame Relay Service
- BellSouth SPA Managed Shared ATM Service

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25 - Contract Tariffs (Cont'd)

25.8 Contract Tariff - No. 006 (Cont'd)

25.8.1 General Regulations (Cont'd)

(D) Minimum Revenue Volume for the Combined MSAs

The customer's annual minimum-billed revenue volume and product suite total annual minimum revenues are provided in Section 25.8.2, following. These revenues are for the combined MSAs set forth in Section 25.8.1(B), preceding, and for the services described in Section 25.8.1(C), preceding. References made throughout this Contract Tariff to the customer's annual minimum-billed revenue volume or product suite total annual minimum revenues shall represent revenues for the combined MSAs and services specified herein. These revenues shall include monthly recurring revenues only and will not be adjusted to reflect credits or discounts given under existing pricing plans (i.e., Transport Savings Plan, Area Commitment Plan). Non-recurring revenues and taxes will not be included in these revenues.

(E) Rates and Charges

The application of rates and charges for services subject to this Contract Tariff are set forth in Section 23 of this Tariff. The Company reserves the right to change the rates and charges for services included in Section 23.

(F) Classifications, Practices and Regulations

(1) Application of Contract Tariff Incentives

In order to be eligible for the incentives offered under this Contract Tariff, the customer must achieve the annual minimum-billed revenue volume and the product suite total annual minimum revenues for each year of the contract term as set forth in Section 25.8.2 following. There are three levels of incentives: 1) Annual Incentive, 2) Product Suite Annual Incentive, and 3) Product Level Quarterly Incentive. These incentives are described as follows:

(a) Annual Incentive

An Annual Incentive will be applied to incremental revenue that exceeds the annual minimum-billed revenue for each year of the customer's contract term. The annual minimum-billed revenue volume and the Annual Incentive percentages are provided in 25.8.2. The following conditions will apply:

- The customer will receive the Annual Incentive each year of the contract term thirty days following the anniversary date of the customer's subscription to service under this Contract Tariff.
- The customer will not receive the Annual Incentive if the customer fails to achieve the annual minimum-billed revenue volume in any year of the contract term. Further, the customer's subscription to this Contract Tariff shall be cancelled in accordance with Shortfall Penalty regulations set forth in 25.8.1(F)(2), following.

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| | |
|--|-----|
| ACCESS SERVICE | (N) |
| 25 - Contract Tariffs (Cont'd) | (N) |
| 25.8 <u>Contract Tariff - No. 006</u> (Cont'd) | (N) |
| 25.8.1 <u>General Regulations</u> (Cont'd) | (N) |
| (F) <u>Classifications, Practices and Regulations</u> (Cont'd) | (N) |
| (1) <u>Application of Contract Tariff Incentives</u> (Cont'd) | (N) |
| (b) <u>Product Suite Annual Incentive</u> | (N) |
| The customer's product suite and the product suite total annual minimum revenues are provided in Section 25.8.2 following. The Product Suite Annual Incentive applies if the customer achieves the product suite total annual minimum revenue at the end of each contract term year and will be equal to the same incentive dollar amount the customer is awarded for the Annual Incentive as described in 25.8.1(F)(1)(a), preceding. | (N) |
| The customer will receive the Product Suite Annual Incentive each year of the contract term thirty days following the anniversary date of the customer's subscription to service under this Contract Tariff. | (N) |
| The customer will not receive the Product Suite Annual Incentive if in any year of the contract term the customer fails to achieve the product suite total annual minimum revenue. | (N) |

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|--|-----|
| ACCESS SERVICE | (N) |
| 25 - Contract Tariffs | (N) |
| 25.8 Contract Tariff - No. 006 (Cont'd) | (N) |
| 25.8.1 General Regulations (Cont'd) | (N) |
| (F) Classifications, Practices and Regulations (Cont'd) | (N) |
| (1) Application of Contract Tariff Incentives (Cont'd) | (N) |
| (c) Product Level Quarterly Incentive | (N) |
| The two products shown in Section 25.8.2, following, are available for a Product Level Quarterly Incentive. This quarterly incentive will be computed on the monthly-billed revenue for the selected products in each contract term year and will be awarded on a quarterly basis under the following conditions: | (N) |
| - The Company will monitor on a quarterly basis the customer's annual minimum-billed revenues provided in Section 25.8.2, Table 1 in each contract term year to determine if the customer is on schedule in achieving the quarterly objective of the annual minimum-billed revenue volume. The scheduled objective for the first quarter is 25% of the annual minimum-billed revenue, for the second quarter 50% of the annual minimum-billed revenue, for the third quarter 75% for the annual minimum-billed revenue, and for the fourth quarter 100% of the annual minimum-billed revenue. | (N) |
| - For each year of the contract term, the customer will receive the Product Level Quarterly Incentive on a quarterly basis only if the scheduled objectives for the annual minimum-billed revenues are met. For example, if the first quarter's objective is not met, the first quarter incentive award will be delayed until the second quarter. If the second quarter objective is not met, the monthly incentive award for the first and second quarters will be delayed until the third quarter. If the customer meets the third quarter objective, the monthly incentives for the first, second and third quarters will be awarded to the customer. | (N) |
| - If at the end of the fourth quarter the customer does not achieve at least 100% of the annual minimum-billed revenue volume, the customer will not receive a fourth quarter Product Level Quarterly incentive and must also reimburse the Company all Product Level Quarterly Incentives received for the first, second and third quarters in accordance with Shortfall Penalty regulations in 25.8.1(F)(2) following. | (N) |

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| | |
|---|-----|
| ACCESS TARIFF | (N) |
| 25 - Contract Tariffs (Cont'd) | (N) |
| 25.8 Contract Tariff - No. 006 (Cont'd) | (N) |
| 25.8.1 General Regulations (Cont'd) | (N) |
| (F) Classifications, Practices and Regulations (Cont'd) | (N) |
| (1) Application of Contract Tariff Incentives (Cont'd) | (N) |
| (d) Examples of Contract Tariff Incentives | (N) |
| - Example 1: Annual Incentive: | (N) |
| The customer exceeds the annual minimum-billed revenue volume for the first contract term year with a revenue achievement of \$23,040,000. The customer will be awarded an Annual Incentive of \$117,300 computed using Table 1 in 25.8.2 as follows: | (N) |
| (Annual Revenue Achieved - Annual Minimum Revenue Volume) X Applicable Incentive Percentage = Annual Incentive | (N) |
| (23,040,000 - 21,085,000) X 6% = \$117,300 | (N) |
| - Example 2: Product Suite Annual Incentive: | (N) |
| As illustrated in Example 1 above, the customer achieved the first contract term year's annual minimum-billed revenue and also exceeded the product suite total annual minimum revenue with a revenue achievement of \$15,585,000 (see Table 2 in 25.8.2). The customer will be awarded a Product Suite Annual Incentive of \$117,300, which is equivalent to the same dollar amount the customer is awarded for the Annual Incentive in the example above. | (N) |
| - Example 3: Product Level Quarterly Incentive: | (N) |
| The customer's first quarter monthly revenues are as follows: | (N) |
| Product #1: \$748,750 | (N) |
| Product #2: \$3,147,500 | (N) |
| Total Products #1 and #2: \$3,896,250 | (N) |
| The customer achieved the scheduled objective of 25% of the first year's annual minimum-billed revenue as shown in Table 1 of 25.8.2. Therefore, the customer is eligible for a first quarter Product Level Quarterly Incentive of \$116,887.50 computed as follows: | (N) |
| [(Product #1 Total Quarterly Revenues) X Product #1 Incentive Percentage] + [(Product #2 Total Quarterly Revenues) X Product #2 Incentive Percentage] = Product Level Quarterly Incentive | (N) |
| [((\$748,750 X 3%) + (\$3,147,500 X 3%)] = \$116,887.50 | (N) |

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| | |
|--|-----|
| ACCESS SERVICE | (N) |
| 25 - Contract Tariffs (Cont'd) | (N) |
| 25.8 Contract Tariff - No. 006 (Cont'd) | (N) |
| 25.8.1 General Regulations (Cont'd) | (N) |
| (F) Classifications, Practices and Regulations (Cont'd) | (N) |
| (2) Shortfall Penalty Regulations | (N) |
| (a) Shortfall Penalty for Failure to Achieve Minimum-Billed Revenue | (N) |
| The customer must achieve the annual minimum-billed revenue volume specified in 25.8.2 following as determined on the anniversary date of the customer's subscription to service under this Contract Tariff in order to be eligible for an Annual Incentive. | (N) |
| If the customer does not achieve the annual minimum-billed revenue volume for any contract term year, the customer will not receive for such year the Annual Incentive as described in 25.8.1(F)(1)(a), preceding. Further, the customer must repay the Company all Product Level Quarterly Incentives received for such year and will be billed the full amount thirty days following the customer's contract anniversary date. | (N) |
| The customer must achieve the product suite total annual minimum revenue as determined on the customer's contract anniversary date in order to be eligible for a Product Suite Annual Incentive. If the customer does not achieve the product suite total annual minimum revenue for any year of the contract term, the customer will not receive for such year the Product Suite Annual Incentive as described in 25.8.1(F)(1)(b), preceding. | (N) |
| (b) Shortfall Penalty for Failure to Achieve the SLA Baseline Revenue | (N) |
| The customer must achieve the minimum annual Baseline Revenue each contract term year as specified in 25.8.1(G)(1), following, in order to receive the performance remedies for the Service Level Agreement specified in 25.8.1(G). | (N) |
| Failure to achieve the minimum annual Baseline Revenue for any contract term year will result in termination of the customer's subscription to this Contract Tariff, and the customer will not be eligible for another Contract Tariff for six months following the contract cancellation date. | (N) |

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25 - Contract Tariffs (Cont'd)

25.8 Contract Tariff - No. 006 (Cont'd)

25.8.1 General Regulations (Cont'd)

(F) Classifications, Practices and Regulations (Cont'd)

(3) Restrictions

(a) A customer subscribing to this Contract Tariff may not subscribe to any other Contract Tariff in the MSAs and for the services specified herein.

(b) The incentives provided under this Contract Tariff will not apply to annual billed revenues exceeding the maximum revenues specified in 25.8.2 following.

(c) Customers must subscribe to the Transport Payment Plan for the applicable services provided in this Contract Tariff.

(4) Mergers and Acquisitions

In the event the customer merges with another company or is acquired by another company, the following regulations will apply:

(a) The customer may not combine revenues with the merged or acquired company's revenues for the purpose of obtaining the incentives provided under this Contract Tariff.

(b) The customer may continue subscribing to this Contract Tariff for the duration of the contract term provided that the customer continues the subscription as if it were a single entity prior to the merger or acquisition.

(c) The Company reserves the right to cancel the customer's subscription to this Contract Tariff if the customer does not adhere to the provisions herein.

(5) Revenue Accumulation by Bill Period

The customer's annual billed revenue and product suite annual revenue shall be accumulated beginning with the first bill period following the effective date of the customer's subscription to this Contract Tariff and ending with the last bill period prior to the customer's contract anniversary date.

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(N)

25 - Contract Tariffs (Cont'd)

(N)

25.8 Contract Tariff - No. 006 (Cont'd)

(N)

25.8.1 General Regulations (Cont'd)

(N)

(F) Classifications, Practices and Regulations (Cont'd)

(N)

(6) Tax Exclusions

(N)

The incentives specified in this Contract Tariff will not be applied to taxes. Taxes will not be included when calculating the customer's annual minimum billed revenues and product suite annual minimum revenues.

(N)

(N)

(N)

(N)

(7) Existing Discount Plans

(N)

The Contract Tariff incentives specified herein are in addition to credits given under existing pricing plans the customer may subscribe to in other Sections of this Tariff (i.e., Transport Savings Plan, Area Commitment Plan, Channel Services Payment Plan, etc.).

(N)

(N)

(N)

(N)

(8) Performance Measures

(N)

The services, to which the incentives provided under this Contract Tariff apply, shall only be subject to service guarantees specified in Section 2.4.4 (service assurance warranty), Section 2.4.9 (service installation guarantee) and 25.8.1(G) (Service Level Agreement) of this Tariff under the terms and conditions in effect on the day this Contract Tariff becomes effective. Any new or additional performance measures and remedies that may become applicable to the services provisioned under Sections 6, 7, 21, and 23 of this Tariff shall not apply to services subject to this Contract Tariff.

(N)

(N)

(N)

(N)

(N)

(N)

(N)

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| | |
|--|--|
| ACCESS SERVICE | (N) |
| 25 - Contract Tariffs (Cont'd) | (N) |
| 25.8 <u>Contract Tariff - No. 006</u> (Cont'd) | (N) |
| 25.8.1 <u>General Regulations</u> (Cont'd) | (N) |
| (G) <u>Service Level Agreement</u> | (N) |
| Concurrent with the effective date of this Contract Tariff, a Service Level Agreement (SLA) as specified herein shall become effective and shall remain in effect for the term of this Contract Tariff pursuant to the conditions herein. | (N) (N) (N) (N) |
| The services for which this SLA applies are LightGate Service (a.k.a. BellSouth SPA Point to Point) and DS1 (a.k.a. BellSouth SPA DS1). All rate elements associated with these services are included in this SLA. | (N) (N) (N) |
| (1) <u>Minimum Annual Baseline Revenue</u> | (N) |
| In order for the customer to receive the remedies for any missed performance metric agreed to under this SLA, the customer must achieve minimum annual Baseline Revenue of \$18,200,000 for services specified in 25.8.1(C) of this Contract Tariff for the first contract term year. For the second contract term year, the customer's minimum annual Baseline Revenue will be equivalent to the revenue the customer actually achieves at the end of the first contract term year. Shortfall Penalty regulations specified in 25.8.1(F)(2)(b) will apply if the customer fails to achieve the minimum annual Baseline Revenue. | (N) (N) (N) (N) (N) (N) (N) (N) (N) (N) |
| (2) <u>Performance Metrics and Measurement Methodology</u> | (N) |
| (a) The SLA Commitments, Performance Objectives and Total Revenue at Risk are shown in Chart A in 25.8.1(G)(5) and (6) following. The performance metrics that will be tracked and measured are shown below. The definitions are provided in (3) following. | (N) (N) (N) (N) |
| - Customer Desired Due Date (CDDD) Met | (N) |
| - Firm Order Confirmation Receipt (FOC) | (N) |
| - New Circuit Failure Rate | (N) |
| - Mean Time to Repair (MTTR) Hours | (N) |

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25 - Contract Tariffs (Cont'd)

25.8 Contract Tariff - No. 006 (Cont'd)

25.8.1 General Regulations (Cont'd)

(G) Service Level Agreement (Cont'd)

(2) Performance Metrics and Measurement Methodology (Cont'd)

(b) The following terms and conditions shall apply for collecting, calculating, reporting and administering the performance measurement data under the Service Level Agreement (SLA) provided herein:

- The Company will utilize its monthly self-reported performance measurement data to determine performance metrics. The Company's self-reported performance measurement data will be collected and calculated utilizing the Company's internal processes. The Company's calculation of its performance under this Contract Tariff shall be the sole determinate of the Company's obligation to provide a remedy for a missed performance metric. The Company will monitor data collection and calculation to ensure the integrity of self-reported results.
- Performance metrics and any applicable remedies will be calculated on a regional, state, or district level basis, as currently measured, and prorated to an MSA level.
- At the point that any MSA specific measurements are instituted, any applicable remedies will be converted to the MSA basis. Following implementation of MSA level measures, performance metrics and any applicable remedies will be calculated solely on an MSA basis. For example, Customer Desired Due Date (CDDD) and Mean Time to Repair (MTTR) performance data for a customer subscribing to this Contract Tariff in all of the Atlanta Network districts will be used for the Atlanta MSA until specific Atlanta MSA performance data is available.

(c) Neither the Company or the customer shall be held liable for any delay or failure in performance of any part of the SLA from any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorists acts, riots, insurrections, fires, explosions, earthquakes, strikes, nuclear accidents, floods, power blackouts, or unusually severe weather. In the event of any such excused delay in the performance of the customer or the Company's obligation(s) under this SLA, the due date for the performance of the original obligation(s) shall be extended by a term equal to the time lost by reason of delay.

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| | |
|--|-----|
| ACCESS SERVICE | (N) |
| 25 - Contract Tariffs (Cont'd) | (N) |
| 25.8 Contract Tariff - No. 006 (Cont'd) | (N) |
| 25.8.1 General Regulations (Cont'd) | (N) |
| (G) Service Level Agreement (Cont'd) | (N) |
| (3) Performance Metrics Definitions | (N) |
| (a) Customer Desired Due Date (CDDD): | (N) |
| This metric measures the percentage of Special Access and Non-Access Wireless ASRs (Adds and Rearrangements only) completed by the customer desired due date. | (N) |
| - Exclusions: Test orders, disconnect orders, administrative orders, record orders, and orders that are not completed. (Orders are included in the month that they are completed). | (N) |
| - Business Rule: The number of Special Access and Non-Access Wireless ASRs (Adds and Rearrangements only) completed by the customer desired due date, divided by total Special Access and Non-Access Wireless ASRs (Adds and Rearrangements only) completed. Orders coded with a Customer Not Ready (CNR) designation are considered an order where CDDD is met. | (N) |
| (b) Firm Order Confirmation (FOC) Receipt | (N) |
| This metric measures the percentage of the Company's FOCs, including electronic facility checks, within the specified timeframes. The FOC is a notice the Company returns to the customer in response to an Access Service Request (ASR), which confirms receipt of the ASR and that the ASR has been created with an assigned due date. | (N) |
| - Exclusions: Test orders, weekend and holiday hours (other than flow-through), weekend hours (midnight Friday through Midnight Sunday), holiday hours (midnight of the business day preceding the holiday to midnight of the holiday). | (N) |
| - Business Rule: The number of ASRs where the Company provides Firm Order Commitment to the customer within the required interval divided by the total number of ASRs where the Company is responsible for providing the Firm Order Commitment. | (N) |

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25 - Contract Tariffs (Cont'd)

25.8 Contract Tariff - No. 006 (Cont'd)

25.8.1 General Regulations (Cont'd)

(G) Service Level Agreement (Cont'd)

(3) Performance Metrics Definitions (Cont'd)

(c) New Circuit Failure Rate

This metric measures the percent of new customer circuits installed by the Company where a reported trouble was found in the network within 30 days of order completion. A service is considered to have a problem or trouble when it becomes unusable to the customer because of a failure of a facility component used to furnish a service under this SLA or in the event that the protective controls applied by the Company result in the loss of use of the service by the customer. A trouble period starts when the customer reports the trouble to the Company and ends when the service is operative.

- Exclusions: Troubles reported on Company official administrative lines; troubles closed due to Customer action; troubles reported by Company employees in the course of performing preventive maintenance; CPE troubles; subsequent trouble reports where the initial trouble is pending; troubles caused by customer negligence; troubles due to failure of equipment or systems provided by the customer or others; troubles during any period in which the Company is not afforded access to the premises where the service is terminated; troubles when the customer has released the service to the Company for maintenance purposes, to make rearrangements, or for the implementation of an ASR for a change in the service during the time that was negotiated with the customer prior to the release of that service; troubles during periods when the customer elects not to release the service for testing and/or repair and continues to use it on an impaired basis; troubles during periods of temporary discontinuance as set forth in 2.2.1(B) of this Tariff.

- Business Rule: The number of Measured Trouble Reports (excludes troubles closed to Customer Premises Equipment and Independent Exchange Company Information) on newly installed lines (Adds Only) within thirty-days/divided by total new lines for the previous month.

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| | |
|--|---|
| ACCESS SERVICE | (N) |
| 25 - Contract Tariffs (Cont'd) | (N) |
| 25.8 Contract Tariff - No. 006 (Cont'd) | (N) |
| 25.8.1 General Regulations (Cont'd) | (N) |
| (G) Service Level Agreement (Cont'd) | (N) |
| (3) Performance Metrics Definitions (Cont'd) | (N) |
| (d) Mean Time to Repair (MTTR) Hours | (N) |
| The average duration from the time the Company receives a trouble report to the time the Company clears a trouble. A service is considered to have a trouble when it becomes unusable to the customer because of a failure of a facility component used to furnish a service under this SLA or in the event that the protective controls applied by the Company result in the loss of use of the service by the customer. A trouble period starts when the customer reports the trouble to the Company and ends when the service is operative. | (N) (N) (N) (N) (N) (N) (N) (N) (N) (N) |
| - Exclusions: Troubles reported on Company official administrative lines; troubles closed due to Customer action; troubles reported by Company employees in the course of performing preventive maintenance, CPE troubles; or subsequent trouble reports where the initial trouble is pending; canceled trouble reports; troubles caused by customer negligence; troubles due to failure of equipment or systems provided by the customer or others; troubles during any period in which the Company is not afforded access to the premises where the service is terminated; troubles when the customer has released the service to the Company for maintenance purposes, to make rearrangements, or for the implementation of an ASR for a change in the service during the time that was negotiated with the customer prior to the release of that service; troubles during periods when the customer elects not to release the service for testing and/or repair and continues to use it on an impaired basis; troubles during periods of temporary discontinuance as set forth in 2.2.1(B) of this Tariff. | (N) |
| - Business Rule: Total duration (in hours, tenths and hundredths) of all Special Access measured trouble reports, divided by the total number of all Special Access measured customer trouble reports. Calculated as referred out duration subtracted from actual duration. Time needed for delayed maintenance at the customer's request (e.g., for circuit monitoring purposes prior to trouble ticket closure) and no-access time is not included in the actual duration figure. | (N) |

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| | |
|--|---|
| ACCESS SERVICE | (N) |
| 25 - Contract Tariffs (Cont'd) | (N) |
| 25.8 <u>Contract Tariff - No. 006</u> (Cont'd) | (N) |
| 25.8.1 <u>General Regulations</u> (Cont'd) | (N) |
| (G) <u>Service Level Agreement</u> (Cont'd) | (N) |
| (4) <u>Customer Obligations</u> | (N) |
| In order to receive the performance remedies specified in this SLA, the customer agrees to the following conditions: | (N) (N) |
| (a) The customer shall maintain minimum annual Baseline revenue of \$18,200,000 for the first year of this Contract Tariff in the MSAs specified in order for the customer to receive the remedies for any missed performance metric agreed to under this SLA. For the second year of this Contract Tariff, the minimum annual Baseline revenue will be equivalent to the revenue the customer actually achieves at the end of the first year of this Contract Tariff. | (N) (N) (N) (N) (N) (N) (N) |
| (b) The customer shall maintain existing electronic system interfaces and processes for Access Service Request (ASR) initiation and trouble reporting. | (N) (N) (N) |
| (c) The customer shall submit ASRs by 3:00 p.m. EST in order for the ASR to be processed the same business day. ASRs received after 3:00 p.m. EST shall be processed the next business day. | (N) (N) (N) |

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- ACCESS SERVICE (N)
- 25 - Contract Tariffs (Cont'd) (N)
- 25.8 Contract Tariff - No. 006 (Cont'd) (N)
- 25.8.1 General Regulations (Cont'd) (N)
- (G) Service Level Agreement (Cont'd) (N)
- (5) Company Obligations (N)
- (a) Should BellSouth fail to perform to the service levels detailed in Charts A and B in 25.8.1(G)(6) and (7) following, an SLA Performance Credit of up to 1% of the customers minimum annual Baseline Revenue specified in 25.8.1(G)(1) preceding, will be at risk provided the customer met the obligations detailed in 25.8.1(G)(4), preceding. (N)
- (b) The Company will evaluate and calculate the performance objectives on a monthly basis. Any applicable SLA Performance Credit will be applied to the customer's account at the end of each contract term year, one month in arrears of the customer's contract anniversary date. (N)
- (c) The Monthly Revenue at Risk will be determined as follows: (N)
- (Minimum Annual Baseline Revenue X 1%) divided by 12 = Monthly Revenue at Risk (N)
- (\$18,200,000 X 1%) divided by 12 = \$15,167 (N)
- (d) The following example illustrates how the Company will calculate the SLA Performance Credits using the Monthly Revenue at Risk above and data from Charts A and B in 25.8.1(G)(6) and (7) following. (N)
- Example 1: For DS1 (a.k.a BellSouth SPA DS1) orders, CDDD attainment in the first month is 88%. The performance remedy for such month would be calculated as follows: (N)
- (Monthly Revenue at Risk X Weighting) X Penalty = Monthly Remedy (N)
- (\$15,167 X 17.5%) X 25% = \$663.56 (N)
- (e) The Company will sum the SLA Performance Credits for each missed performance metrics to get each month's Total Monthly Performance Credit. The twelve-months Total Monthly Performance Credits will be credited to the customer's account one month in arrears of the customer's contract subscription anniversary date. (N)

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25 - Contract Tariffs (Cont'd)

25.8 Contract Tariff - No. 006 (Cont'd)

25.8.1 General Regulations (Cont'd)

(G) Service Level Agreement (Cont'd)

(6) Performance Metrics - Provisioning Elements

Chart A below provides the weighting, performance targets, and penalties for the specified metric.

| CHART A: Service Level Agreement (Provisioning Elements) | | | |
|--|-----------|------------------------|---|
| SLA Commitment | | Performance Objectives | Total At Risk=1% of MSA Baseline Billed Rev |
| Measure | Weighting | Performance Targets | Penalty |
| CDDD | | | |
| LightGate Service (a.k.a. BellSouth SPA Point to Point) | 17.5% | >= 90% | 0% |
| | | 87.5 – 89.99% | 25% |
| | | 85 – 87.49% | 50% |
| | | <85% | 100% |
| DS1 (a.k.a. BellSouth SPA DS1) | 17.5% | >= 95% | 0% |
| | | 92.5 – 94.99% | 25% |
| | | 90 – 92.49% | 50% |
| | | <90% | 100% |
| FOC Timeliness | | | |
| LightGate Service (a.k.a. BellSouth SPA Point to Point) | 5% | >= 85% | 0% |
| within 120 hrs | | 82.5 – 84.99% | 25% |
| | | 80 – 82.49% | 50% |
| | | <80% | 100% |
| DS1 (a.k.a. BellSouth SPA DS1) | 5% | >= 85% | 0% |
| within 48 hrs | | 82.5 – 84.99% | 25% |
| | | 80 – 82.49% | 50% |
| | | <80% | 100% |
| New Circuit Failure Rate | | | |
| LightGate Service (a.k.a. BellSouth SPA Point to Point) | 15% | <= 5% | 0% |
| | | 5.01 – 6.25% | 25% |
| | | 6.26 – 7.5% | 50% |
| | | >7.5% | 100% |
| DS1 (a.k.a. BellSouth SPA DS1) | 15% | <= 10% | 0% |
| | | 10.01 – 12.5% | 25% |
| | | 12.26 – 15% | 50% |
| | | >15% | 100% |

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25 – Contract Tariffs (Cont'd)

25.8 Contract Tariff – No. 006 (Cont'd)

25.8.1 General Regulations (Cont'd)

(G) Service Level Agreement (Cont'd)

- (7) Performance Metrics – Maintenance Elements
Chart B below provides the weighting, performance targets, and penalties for the specified metric:

| Chart B: Service Level Agreement (Maintenance Elements) | | | |
|--|-----------|------------------------|--|
| SLA Commitment | | Performance Objectives | Total At Risk=1% of MSA Baseline Billed Rev |
| Measure | Weighting | Performance Target | Penalty |
| MTTR | | | |
| LightGate Service (a.k.a. BellSouth SPA Point to Point) | 12.5% | <=4.0 hrs. | 0% |
| | | 4.1 – 4.17 hrs | 25% |
| | | 4.18 – 4.25 hrs. | 50% |
| | | >4.25 hrs. | 100% |
| DS1 (a.k.a. BellSouth SPA DS1) | 12.5% | <=4.0 hrs. | 0% |
| | | 4.1 – 4.17 hrs. | 25% |
| | | 4.18 – 4.25 hrs. | 50% |
| | | >4.25 hrs. | 100% |

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25 - Contract Tariffs (Cont'd)

25.8 Contract Tariff - No. 006 (Cont'd)

25.8.2 Revenue Volumes and Incentives

(A) Annual Minimum-Billed Revenues and Incentives

- (1) Table 1 below provides the annual minimum-billed revenue volumes and the Annual Incentives. The customer must achieve each year's minimum-billed revenue in order to receive an Annual Incentive, which is applied to the incremental revenue that exceeds the annual minimum-billed revenue. Revenue exceeding the maximum revenue will not be eligible for an Annual Incentive or Product Suite Annual Incentive. Section 25.8.1(F)(1)(d), preceding, provides examples of how incentives in the following tables are determined.

| Table 1 | Annual Minimum Billed Revenue Volumes (\$000) | |
|-------------------------|--|------------------------|
| | Year 1 | Year 2 |
| Minimum Revenue Volumes | \$21,085 | \$24,458 |
| (%) Annual Incentives | | |
| 5% | > \$21,085 - 22,139 | > \$24,458 - 25,681 |
| 6% | > 22,139 - 23,193 | > 25,681 - 26,904 |
| 7% | > 23,193 - 24,247 | > 26,904 - 28,126 |
| Maximum Revenues | \$24,247 | \$28,126 |

- (2) Table 2 below provides the product suite and the product suite total annual minimum revenues. The customer must achieve each year's total annual minimum revenue* in order to receive a Product Suite Annual Incentive, which is equivalent to the dollar amount the customer is awarded for the Annual Incentive as specified in 25.8.2(A)(1) above.

| Table 2 | Product Suite Annual Minimum Revenues (\$000) | |
|---|--|----------|
| | Year 1 | Year 2 |
| Product Suite | | |
| LightGate svc.(a.k.a. BellSouth SPA Point to Point) | \$ 2,394 | \$ 2,777 |
| DS1 (a.k.a. BellSouth SPA DS1) | 9,965 | 11,559 |
| *Total Annual Minimum Revenues | \$12,359 | \$14,336 |

- (3) Table 3 below provides the products eligible for a Product Level Quarterly Incentive. The Product Level Quarterly Incentive is applied on the monthly-billed revenue for these products and awarded on a quarterly basis.

| Table 3 | Quarterly Product Level Incentive | |
|---|-----------------------------------|--------|
| | Year 1 | Year 2 |
| LightGate svc.(a.k.a. BellSouth SPA Point to Point) | 3% | 3% |
| DS1 (a.k.a. BellSouth SPA DS1) | 3% | 3% |
